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JUN 29 2005
KCC WICHITA

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE

Form ACO-1
September 1999
Form Must Be Typed

ORIGINAL

Operator: License # 30742
Name: Palomino Petroleum, Inc.
Address: 4924 SE 84th St.
City/State/Zip: Newton, Kansas 67114-8827
Purchaser: None
Operator Contact Person: Klee R. Watchous
Phone: (316) 799-1000
Contractor: Name: Southwind Drilling, Inc.
License: 33350
Wellsite Geologist: Todd E. Morgenstern

Designate Type of Completion:
 New Well Re-Entry Workover
 Oil SWD SIOW Temp. Abd.
 Gas ENHR SIGW
 Dry Other (Core, WSW, Expl., Cathodic, etc)

If Workover/Re-entry: Old Well Info as follows:

Operator: _____
Well Name: _____
Original Comp. Date: _____ Original Total Depth: _____
 Deepening Re-perf. Conv. to Enhr./SWD
 Plug Back Plug Back Total Depth
 Commingled Docket No. _____
 Dual Completion Docket No. _____
 Other (SWD or Enhr.?) Docket No. _____

3/31/05 4/8/05 4/8/05
Spud Date or Date Reached TD Completion Date or
Recompletion Date Recompletion Date

API No. 15 - 185-23310-0000
County: Stafford
NE Sec. 17 Twp. 22 S. R. 12 East West
470 feet from S N (circle one) Line of Section
1350 feet from E W (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:
(circle one) NE SE NW SW
Lease Name: Spangenberg Well #: 2
Field Name: Helene Ext.
Producing Formation: None

Elevation: Ground: 1872 Kelly Bushing: 1881
Total Depth: 3708 Plug Back Total Depth: _____
Amount of Surface Pipe Set and Cemented at 312 Feet
Multiple Stage Cementing Collar Used? Yes No
If yes, show depth set _____ Feet
If Alternate II completion, cement circulated from _____
feet depth to _____ w/ _____ sx cmt.

Drilling Fluid Management Plan *ACT WITH P&A*
(Data must be collected from the Reserve Pit) *4/17/07*
Chloride content _____ ppm Fluid volume _____ bbls
Dewatering method used _____
Location of fluid disposal if hauled offsite: _____
Operator Name: _____
Lease Name: _____ License No.: _____
Quarter _____ Sec. _____ Twp. _____ S. R. _____ East West
County: _____ Docket No.: _____

INSTRUCTIONS: An original and two copies of this form shall be filed with the Kansas Corporation Commission, 130 S. Market - Room 2078, Wichita, Kansas 67202, within 120 days of the spud date, recompletion, workover or conversion of a well. Rule 82-3-130, 82-3-106 and 82-3-107 apply. Information of side two of this form will be held confidential for a period of 12 months if requested in writing and submitted with the form (see rule 82-3-107 for confidentiality in excess of 12 months). One copy of all wireline logs and geologist well report shall be attached with this form. ALL CEMENTING TICKETS MUST BE ATTACHED. Submit CP-4 form with all plugged wells. Submit CP-111 form with all temporarily abandoned wells.

All requirements of the statutes, rules and regulations promulgated to regulate the oil and gas industry have been fully complied with and the statements herein are complete and correct to the best of my knowledge.

Signature: Klee R. Watchous
Title: President Date: June 27, 2005

Subscribed and sworn to before me this 27th day of June,
2005.

Notary Public: Carla R. Penwell
Carla R. Penwell

Date Commission Expires: October 6, 2005

NOTARY PUBLIC - State of Kansas
CARLA R. PENWELL
My Appt. Expires 10-6-05

KCC Office Use ONLY
 Letter of Confidentiality Received
If Denied, Yes Date: _____
 Wireline Log Received
 Geologist Report Received
 UIC Distribution

Operator Name: Palomino Petroleum, Inc. Lease Name: Spangenberg Well #: 2
 Sec. 17 Twp. 22 S. R. 12 East West County: Stafford

INSTRUCTIONS: Show important tops and base of formations penetrated. Detail all cores. Report all final copies of drill stems tests giving interval tested, time tool open and closed, flowing and shut-in pressures, whether shut-in pressure reached static level, hydrostatic pressures, bottom hole temperature, fluid recovery, and flow rates if gas to surface test, along with final chart(s). Attach extra sheet if more space is needed. Attach copy of all Electric Wireline Logs surveyed. Attach final geological well site report.

Drill Stem Tests Taken Yes No
 (Attach Additional Sheets)

Samples Sent to Geological Survey Yes No

Cores Taken Yes No

Electric Log Run Yes No
 (Submit Copy)

List All E. Logs Run:

Radiation Guard Log

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<input type="checkbox"/> Log	Formation (Top), Depth and Datum	<input checked="" type="checkbox"/> Sample
	Name	Datum
	Anhy.	651 (+1230)-?
	Base Anhy.	670 (+1211)-?
	Herington	1688 (+ 193)
	Winfield	1746 (+ 135)
	Towanda	1810 (+ 71)
	Ft. Riley	1848 (+ 33)
	Blue Springs	1937 (- 56)
	Wreford	1998 (- 117)

CASING RECORD <input checked="" type="checkbox"/> New <input type="checkbox"/> Used							
Report all strings set-conductor, surface, intermediate, production, etc.							
Purpose of String	Size Hole Drilled	Size Casing Set (In O.D.)	Weight Lbs. / Ft.	Setting Depth	Type of Cement	# Sacks Used	Type and Percent Additives
Surface	12 1/4"	8 5/8"	23#	312'	Common	275	2% gel, 3% c.c.

ADDITIONAL CEMENTING / SQUEEZE RECORD				
Purpose:	Depth Top Bottom	Type of Cement	#Sacks Used	Type and Percent Additives
<input type="checkbox"/> Perforate <input type="checkbox"/> Protect Casing <input type="checkbox"/> Plug Back TD <input type="checkbox"/> Plug Off Zone				

Shots Per Foot	PERFORATION RECORD - Bridge Plugs Set/Type Specify Footage of Each Interval Perforated	Acid, Fracture, Shot, Cement Squeeze Record (Amount and Kind of Material Used)	Depth

TUBING RECORD	Size	Set At	Packer At	Liner Run <input type="checkbox"/> Yes <input type="checkbox"/> No
Date of First, Resumerd Production, SWD or Enhr.	Producing Method <input type="checkbox"/> Flowing <input type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain)			
Estimated Production Per 24 Hours	Oil Bbls.	Gas Mcf	Water Bbls.	Gas-Oil Ratio Gravity

Disposition of Gas Vented Sold Used on Lease (If vented, Submit ACO-18.)

METHOD OF COMPLETION Open Hole Perf. Dually Comp. Commingled

Production Interval Other (Specify) _____

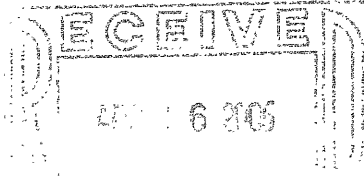
LOG

Crouse	2054	(- 173)
Neva	2295	(- 314)
Red Eagle	2286	(- 405)
Admire	2383	(- 502)
Woodsiding	2445	(- 564)
Stotler	2581	(- 700)
Tarkio	2643	(- 762)
Howard	2794	(- 913)
Topeka	2887	(-1006)
King Hill	2990	(-1109)
Queen Hill	3076	(-1195)
Heebner	3180	(-1299)
Toronto	3196	(-1315)
Douglas	3211	(-1330)
Brown Lime	3315	(-1434)
LKC	3329	(-1448)
BKC	3551	(-1670)
Viola	3604	(-1723)
Simpson Sh.	3650	(-1769)
Arbuckle	3703	(-1822)
RTD	3708	(-1827)

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ALLIED CEMENTING CO., INC.

P.O. BOX 31
RUSSELL, KS 67665
PH (785) 483-3887
FAX (785) 483-5566
FEDERAL TAX ID# 48-0727860



* I N V O I C E *

Invoice Number: 096513

Invoice Date: 04/14/05

Sold Palomino Petroleum , Inc.
To: 4924 SE 84th St.
Newton, KS
67114-8827

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Cust I.D.....: Palo
P.O. Number...: Spangenberg #2
P.O. Date.....: 04/14/05

Due Date.: 05/14/05

Terms.....: Net 30

Item I.D./Desc.	Qty. Used	Unit	Price	Net	TX
Common	81.00	SKS	8.3000	672.30	T
Pozmix	54.00	SKS	4.5000	243.00	T
Gel	7.00	SKS	13.0000	91.00	T
Handling	142.00	SKS	1.5000	213.00	T
Mileage min.chg.	1.00	MILE	165.0000	165.00	T
Rotary Plug	1.00	JOB	620.0000	620.00	T
Mileage pmp trk	20.00	MILE	4.5000	90.00	T
Dryhole Plug	1.00	EACH	35.0000	35.00	T

All Prices Are Net, Payable 30 Days Following
Date of Invoice. 1 1/2% Charged Thereafter.
If Account CURRENT take Discount of \$ 212.93
ONLY if paid within 30 days from Invoice Date

Subtotal: 2129.30
Tax.....: 134.14
Payments: 0.00
Total....: 2263.44

ALLIED CEMENTING CO., INC. 14418

Federal Tax I.D.# ~~2000~~

REMIT TO P.O. BOX 31
RUSSELL, KANSAS 67665

SERVICE POINT: Mt Bond

DATE <u>4-8-05</u>	SEC. <u>17</u>	TWP. <u>22</u>	RANGE <u>12</u>	CALLED OUT <u>4:00 PM</u>	ON LOCATION <u>9:00 PM</u>	JOB START <u>9:30 AM</u>	JOB FINISH <u>10:30 AM</u>
LEASE <u>Stangeberg</u>		WELL # <u>2</u>		LOCATION <u>281 & K-19-5E, 1S, 1/4 W, S/5</u>		COUNTY <u>Stephens</u>	STATE <u>Ka</u>
OLD OR NEW (Circle one)							

CONTRACTOR Sandwind #2

TYPE OF JOB Rotary Plug

HOLE SIZE _____ F.D. 3708

CASING SIZE _____ DEPTH _____

TUBING SIZE _____ DEPTH _____

DRILL PIPE 4 1/2" DEPTH 670

TOOL _____ DEPTH _____

PRES. MAX _____ MINIMUM _____

MEAS. LINE _____ SHOE JOINT _____

CEMENT LEFT IN CSG. _____

PERFS. _____

DISPLACEMENT _____

OWNER Same

CEMENT AMOUNT ORDERED 135 cu. 60/40 690 net

COMMON <u>8/24</u>	@	<u>8.30</u>	<u>672.30</u>
POZMIX <u>54 cu.</u>	@	<u>4.50</u>	<u>243.00</u>
GEL <u>7 cu.</u>	@	<u>13.00</u>	<u>91.00</u>
CHLORIDE _____	@	_____	_____
_____	@	_____	_____
_____	@	_____	_____
_____	@	_____	_____
_____	@	_____	_____
_____	@	_____	_____
HANDLING <u>142 net</u>	@	<u>1.50</u>	<u>213.00</u>
MILEAGE <u>142.04 SS 20</u>			<u>165.00</u>

EQUIPMENT

PUMP TRUCK CEMENTER Tim D

181 HELPER Bob B

BULK TRUCK DRIVER Rud H

342

BULK TRUCK DRIVER _____

RECEIVED TOTAL 1384.30

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KCCWICHITA

SERVICE

REMARKS:

Mixed 50 @ 670

50 @ 330

10 cu - 40

15 - RH

10 - MH

[Signature]

DEPTH OF JOB <u>670</u>		
PUMP TRUCK CHARGE _____		<u>620.00</u>
EXTRA FOOTAGE _____	@	_____
MILEAGE <u>20</u>	@	<u>4.50</u> <u>90.00</u>
PLUG <u>1-8 5/8 Aug hole</u>	@	<u>35.00</u> <u>35.00</u>
_____	@	_____
_____	@	_____

TOTAL 745.00

CHARGE TO: Palomino

STREET _____

CITY _____ STATE _____ ZIP _____

FLOAT EQUIPMENT

_____	@	_____
_____	@	_____
_____	@	_____
_____	@	_____
_____	@	_____

TOTAL _____

To Allied Cementing Co., Inc.
You are hereby requested to rent cementing equipment and furnish cementer and helper to assist owner or contractor to do work as is listed. The above work was done to satisfaction and supervision of owner agent or contractor. I have read & understand the "TERMS AND CONDITIONS" listed on the reverse side.

TAX _____

TOTAL CHARGE _____

DISCOUNT _____ IF PAID IN 30 DAYS

SIGNATURE [Signature]

[Signature] PARRYL KRIER
PRINTED NAME